



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

Enclosed is a proposed Executive order entitled
"Administration of the Comprehensive Anti-Apartheid Act".

In accordance with the provisions of Executive Order No. 11030, as amended, it was submitted to this office, along with the enclosed transmittal memorandum, by the Department of State.

On behalf of the Director of the Office of Management and Budget, I would appreciate receiving any comments you may have concerning this proposal. The Act requires that certain of its provisions be implemented immediately. Accordingly, if you have any comments or objections they should be received no later than Monday, October 6, 1986.

Comments or inquiries may be submitted by telephone to Mr. John F. Cooney of this office (395-5600).

Sincerely,

A handwritten signature in cursive script, reading "John H. Carley", is written over a horizontal line.

John H. Carley
General Counsel

Enclosure



United States Department of State

The Legal Advisor

Washington, D.C. 20520

October 3, 1986

The Honorable
James C. Miller, III
Director
Office of Management and Budget
Washington, D.C.

Dear ~~Mr. Miller~~:

Yesterday afternoon, the Senate voted to override the President's veto of H.R. 4868, the Comprehensive Anti-Apartheid Act of 1986. As a result, the bill has now entered into force without the President's signature pursuant to Article I, Section 7 of the Constitution.

The Act is long and complex, and contains seventy different sections. Several of the prohibitions in the Act that were first adopted in the Senate Foreign Relations Committee will not enter into effect for 45 or 90 days (e.g., the coal and uranium import bans). However, most of the prohibitions that were added to H.R. 4868 during the Senate floor debate on the bill have already entered into effect. This includes the ban on the import of steel, iron, textiles, and all agricultural products. Other requirements in the bill will enter into force next week. A summary of the effective date of certain prohibitions is contained at Tab A.

To implement the Act, the President must delegate the functions and authorities contained in the Act as soon as possible. A draft Executive Order is enclosed at Tab B, as well as a summary analysis of the Order at Tab C. Tab D is a list of the provisions of the Act referring to specific departments or agencies and which do not require a delegation from the President.

The Department of State recommends that the President delegate all the functions and authorities of the bill except those related to future sanctions and waivers of the prohibitions contained in the bill. Most of the relevant provisions in the bill dealing with these matters contemplate subsequent Congressional action (e.g., joint resolutions of approval or disapproval) and we consequently believe it would be inappropriate to delegate such functions.

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In addition, the Department recommends establishing an Interagency Coordinating Committee chaired by State to ensure effective and coordinated implementation of the Act by all Department and agencies, especially in light of the numerous reporting and other requirements in the bill.

Finally, the Department continues to believe the President should make certain observations for the record about the constitutionality of certain sections of the bill. A draft Presidential statement is attached to serve this purpose (Tab E).

Sincerely,



Abraham D. Sofaer

Enclosures:

- Tab A - Timetable
- Tab B - Draft Executive Order
- Tab C - Analysis of Executive Order provisions
- Tab D - Summary of references to specific departments
- Tab E - Presidential Statement
- Tab F - Summary of the Act

EXECUTIVE ORDER
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Administration of the Comprehensive
Anti-Apartheid Act of 1986

By the authority vested in me as President by the Constitution and statutes of the United States of America, including the Comprehensive Anti-Apartheid Act of 1986 (Public Law 99 -), ("the Act") and section 301 of Title 3 of the United States Code, it is hereby ordered as follows.

Section 1. Implementation of the Act. All concerned U.S. departments and agencies shall take all steps necessary, consistent with the Constitution, to implement the requirements of the Act.

Sec. 2. Delegation of Functions. The following functions conferred upon the President by the Act, are delegated as follows:

(a) Those under Sections 105, 106, 107, 208, 210, 306(a), 307(a)(2), 317, 318, 401(b), 402, 501(b), 504, 505, 506, 508, to the Secretary of State, in consultation with the Secretary of the Treasury and the Secretary of Commerce, as appropriate.

(b) Those under Section 509, to the Secretary of State, in consultation with the officials named in that section.

(c) Those under Sections 301, 305, 308, 309, 310, 320, 323(a)(1), and 510, to the Secretary of the Treasury, in consultation with the Secretary of State.

(d) Those under Section 303, to the Secretary of the Treasury, provided that the Secretary of State shall determine which entities are to be deemed South African "parastatal organizations" within the meaning of the Act, and provided that the Secretary of State, in consultation with the Secretary of Commerce and the Secretary of Defense, shall determine which articles are strategic minerals within the meaning of the Act.

(e) Those under Section 302:

(1) to the Secretary of the Treasury, to the extent that they relate to permanent imports, and

(2) to the Secretary of State, to the extent that they relate to temporary imports,

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(f) Those under Section 319 to the Secretary of the Treasury, in consultation with the Secretary of State and the Secretary of Agriculture.

(g) Those under Sections 321 and 502(b), to the Secretary of Commerce, in consultation with the Secretary of State.

(h) Those under Sections 323(a)(2) and (b), to the United States Trade Representative.

(i) Those under Sections 601 and 603, to the Secretary of State, Secretary of the Treasury, and Secretary of Commerce, to the extent that they relate to functions delegated by this Order or conferred by the Act.

Sec. 3. Directive. The Secretary of Transportation is directed to take the steps specified in Sections 306(a) (2) and (3).

Sec. 4. Coordination. In carrying out their respective functions and responsibilities under this Order and the Act, the Secretary of State, the Secretary of the Treasury, and the Secretary of Commerce shall consult, as appropriate, with each other and with other affected agencies.

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Sec. 5. Policy Guidance. In order to ensure that all measures undertaken in implementation of the Act are effectively integrated with and are supportive of the foreign policy of the United States, the Secretary of State shall be responsible for the continuous supervision and general direction of all activities undertaken pursuant to the Act.

Sec. 6. Inter-Agency Coordinating Committee. An Inter-Agency Coordinating Committee on South Africa Sanctions is hereby established, under the Chairmanship of the Secretary of State. The Committee shall also include the Secretary of the Treasury, Secretary of Defense, Attorney General, Secretary of Commerce, Secretary of Transportation, Secretary of Agriculture, the United States Trade Representative, and other members as appropriate. The Committee shall ensure that all measures required under the Act are promptly coordinated and promulgated.

Sec. 7. Reservations of Functions to the President. The following functions are reserved to the President:

(a) The functions conferred on the President by Sections 311, 401(c) and (d), and 502(a);

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(b) The functions conferred on the President by Section 501, with respect to any recommendations to impose further measures against South Africa; and

(c) The functions conferred on the President by Section 402, with respect to any decision to impose import restrictions.

The President retains the authority to exercise any of the functions delegated in this Order.

Sec. 8. Effective date. This Order shall be effective immediately.

THE WHITE HOUSE,

Executive Order on the Administration
Of H.R. 4868: Summary and Identification of Lead Agencies

Section

Responsibility or
Authority to be
Delegated

To the Secretary of State, in consultation with the Secretary of the Treasury and the Secretary of Commerce, as appropriate:

- | | |
|----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 105: Policy toward "frontline" states. | Sense of the Congress that the President conduct discussions with frontline states. |
| 106: Policy toward a negotiated settlement. | Sense of the Congress that the President meet with leaders of the black opposition and our allies to seek a negotiated settlement. |
| 107: Policy toward international cooperation on measures to end apartheid. | Congress urging the President to seek international cooperation to end apartheid. |
| 208: Code of conduct. | To issue regulations on fair labor standards. |
| 210: Use of the African Emergency Reserve. | To utilize the Reserve whenever such action is deemed necessary or appropriate. |
| 306(a): Prohibition on air transportation with South Africa. | To immediately notify the SAG of termination of the bilateral air agreement. |
| 307(a)(2): Prohibitions on nuclear export trade with South Africa. | To determine if an export to South Africa is of nuclear explosive significance or is likely to be diverted to a South African production or utilization facility.
(Currently exercised by State under E.O. 12532) |

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|------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 317: Prohibition on sale or export of items on Munitions List. | To determine what articles are not covered by the U.N. arms embargo and to submit 6 month reports to Congress. |
| 318: Munitions List sales, notification. | To notify Congress of licenses to be issued for articles not covered by the U.N. arms embargo. |
| 401(b): Negotiating authority. | To conduct negotiations with our allies to reach international cooperative agreements to end apartheid. |
| 402: Limitation on imports from other countries. | To determine the extent to to which a foreign country benefits from, or otherwise takes commercial advantage of, any sanction or prohibition contained in the bill (limiting imports from such a country would be reserved to the President). |
| 501(b): Additional measures. | To prepare reports to Congress on SAG progress (recommending additional measures would be reserved to the President). |
| 504: Report on South African imports. | To report to Congress on U.S. dependence on South African minerals. |
| 505: Study and report on the economy of southern Africa. | To report to Congress on the role of U.S. assistance in southern Africa. |
| 506: Report on relations between other industrialized democracies and South Africa. | To report to Congress on the economic and other relationships of our allies with South Africa. |
| 508: Study and report on the violation of the international embargo on sale and export of military articles to South Africa. | To report to Congress on the extent to which the international embargo on the sale and export of arms and military technology to South Africa is being violated. |

509: Report on communist activities in South Africa.	To report to Congress on the activities of the South Africa Communist Party (in consultation with the Director of the Central Intelligence Agency, the Director of the Defense Intelligence Agency, the National Security Advisor and other relevant U.S. Government officials in the intelligence community.
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To the Secretary of the Treasury, in consultation with the Secretary of State:

301: Prohibition on the importation of krugerrands.	To prohibit the import of all South African gold coins.
305: Prohibitions on loans to the Government of South Africa.	To prohibit loans (with narrow exceptions) to the SAG.
308: Government of South Africa bank accounts.	To prohibit U.S. depository institutions from accepting, receiving, or holding SAG deposit accounts (except for such accounts which may be authorized for diplomatic or consular purposes).
309: Prohibition on importation of uranium and coal from South Africa.	To prohibit imports of uranium, coal, and textiles from South Africa.
310: Prohibition on new investment in South Africa.	To prohibit new investment by U.S. nationals (with certain exceptions) in South Africa.
320: Prohibition on importation of iron and steel.	To prohibit imports of iron and steel produced in South Africa.
323(a)(1): Prohibition on sugar imports.	To prohibit imports of South African sugar.
510: Prohibition on the importation of Soviet gold coins.	To prohibit imports of Soviet gold coins.

To the Secretary of the Treasury and the Secretary of State:

- | | |
|--------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 302: Prohibition on the importation of military articles. | To prohibit permanent imports of arms, military vehicles, or manufacturing data for such articles from South Africa (Secretary of the Treasury). To prohibit temporary arms imports (Secretary of State). (This reflects the current delineation of responsibility under the Arms Export Control Act.) |
| 303: Prohibition on the importation of products from parastatal organizations. | To prohibit imports of articles grown, produced, manufactured by, marketed, or otherwise exported by South African parastatals. (Secretary of the Treasury) To determine which South African entities shall be deemed to be parastatals. (Secretary of State) To determine which articles fall within the exception for strategic minerals. (Secretary of State, in consultation with the Secretary of Commerce and Secretary of Defense) |

To the Secretary of the Treasury, in consultation with the Secretary of State and the Secretary of Agriculture:

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|----------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| 319: Prohibition on importation of South African agricultural products and food. | To prohibit imports of agricultural products and food from South Africa. |
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To the Secretary of Commerce, in consultation with the Secretary of State:

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|------------------------------------------------------------------|--------------------------------------------------------------------------|
| 321: Prohibition on exports of crude oil and petroleum products. | To prohibit exports of crude oil and petroleum products to South Africa. |
|------------------------------------------------------------------|--------------------------------------------------------------------------|

502(b): Lifting of prohibitions. To report to Congress on increased U.S. dependence on any member or observer country of C.M.E.A. for the import of coal or any strategic and critical material exceeding the average amounts of such imports from such country from 1981-1985.

To the United States Trade Representative:

623(a)(2) and (b): Prohibition on sugar imports. To transfer South Africa's sugar quota to the Philippines.

To the Secretary of State, the Secretary of the Treasury, and Secretary of Commerce:

601: Regulatory authority. To issue such rules, regulations, licenses, and orders as are necessary to carry out the provisions of the bill.

603: Enforcement and penalties. To take the necessary steps to ensure compliance with the bill.

Provisions in the
Anti-Apartheid Act
Referring to Specific Departments/Agencies

Secretary of State

- 106 Policy toward a negotiated settlement.
- 203 Expanding participation in the South African economy.
- 205 Labor practices of the United States Government in South Africa.
- 206 Welfare and protection of the victims of apartheid employed by the United States.
- 306 Prohibition on air transportation with South Africa.
- 313 Termination of tax treaty and protocol.
- 401 Negotiating authority.
- 503 Study of health conditions in the "homelands" areas of South Africa.
- 511 Economic support for disadvantaged South Africans
- 603 Enforcement and penalties.

Secretary of the Treasury

- 507 Study and report on deposit accounts of South African nationals in United States banks.

Attorney General

- 512 Report on the African National Congress.

Secretary of Commerce

- 304 Prohibition on computer exports to South Africa.
- 307 Prohibitions on nuclear trade with South Africa.
- 502 Lifting of prohibitions.

Secretary of Agriculture

- 212 Participation of South Africa in agricultural export credit and promotion programs.

Secretary of Transportation

- 306 Prohibition on air transportation with South Africa.

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Secretary of Energy

307 Prohibition on nuclear trade with South Africa.

U.S. Ambassador to South Africa

109 United States Ambassador to meet with Nelson Mandela.

U.S. Trade Representative

323 Prohibition on sugar imports.

Export-Import Bank

204 Export-Import Bank of the United States.

Nuclear Regulatory Commission

307 Prohibition on nuclear trade with South Africa.

Statement
on Signing the Executive Order
Implementing the
Anti-Apartheid Act of 1986

I have today signed an Executive Order on the Administration of the Comprehensive Anti-Apartheid Act of 1986, which has entered into force pursuant to Article I, Section 7 of the Constitution. I am issuing this Order today to ensure that this long and complex Act is strictly implemented by all departments and agencies concerned.

In doing so, I must continue to express my reservations regarding the provisions of the Act that will interfere with the exercise of my constitutional responsibilities for the conduct of foreign affairs.

In particular, I must express my disappointment with the provision of the Act regarding the lifting or modification of some of the prohibitions contained in the Act. The conditions that must be met are too constraining. The Act does not provide me with the flexibility necessary to make changes as warranted by the circumstances and changing events in South Africa, or to bargain effectively with the various actors in South Africa on behalf of the stated objectives of the Act, which I share.

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I am also compelled as a matter of principle to reject any Congressional attempt to require or direct the conduct of international negotiations, a function reserved to the President under Article II of the Constitution. Consequently, I must consider those portions of the Act dealing with international negotiations as constituting a non-binding expression of Congressional views. For the same reason, and consistent with the actions of past Presidents of the United States, I must object to the attempt in Sections 306 and 313 to require the termination of two international agreements of the United States and I shall accordingly view these provisions as only recommendations.

Section 501 of the Act provides that the President must make a recommendation on which of certain specified sanctions should be imposed if sufficient progress is not made in South Africa in twelve months. Article II, Section 3 of the Constitution provides that the President shall recommend to the Congress such measures as he judges necessary and expedient. Accordingly, I must reserve the right to recommend whatever course of action is necessary and expedient at the time.

Several provisions in the Act contain explicit racial classifications, referring to blacks and other nonwhites. Section 103 of the Act makes clear that the policy of the U.S. is to provide assistance to South African victims of apartheid

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without discrimination based on race. I will interpret any reference to South African blacks or other nonwhites to mean all groups that have been disadvantaged by the policy and practice of apartheid. This would be consistent with the principles of our Constitution concerning equal treatment for all persons regardless of race.

While I continue to have grave reservations regarding the Act, I expect that all departments and agencies will take all steps necessary, consistent with the Constitution, to implement this legislation.

THE WHITE HOUSE,

**SUMMARY OF THE COMPREHENSIVE ANTI-APARTHEID ACT OF 1986
(H.R. 4868)**

MAJOR SANCTIONS

Scope (Sec. 3)

All provisions of the bill apply to South Africa (including the homelands) and Namibia.

Landing Rights (Sec. 306)

Requires an immediate termination of landing rights for South African aircraft and prohibits U.S. civil aircraft from flying to South Africa.

New Investments (Sec. 310)

Prohibits any new investment in South Africa, except for investments in black owned firms. This includes bank loans to the private sector. The term new investment does not include expenses incurred by U.S. companies to comply with the Sullivan-related fair labor standards. The prohibition does not apply to:

- (1) short term trade financing (e.g., letters of credit)
- (2) most rescheduling of existing loans
- (3) reinvestments of profits
- (4) transfers of funds necessary to maintain operations in an economically sound manner without expanding operations.

Government loans (Sec. 305)

Prohibits all loans to the South African Government (including parastatals), with an exception for certain loans for educational, housing or humanitarian purposes.

Parastatal Imports (Sec. 303)

Prohibits the import of any item produced, grown, manufactured, marketed, or exported by SAG parastatals (i.e., organizations owned, controlled or subsidized by the SAG). An exception is provided for imports of articles pursuant to contracts signed before August 15, 1986, provided that no shipment of such articles may be received after April 1, 1987.

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Krugerrand Imports (Sec. 301)

Prohibits the import of Krugerrands and other gold coins minted in South Africa as well as Soviet gold coins.

Imports Generally (Sec. 309; 319; 320)

Prohibits the import of South African (1) uranium ore; (2) uranium oxide; (3) coal; and (4) textiles. These import prohibitions enter into effect 90 days after enactment. The bill also prohibits the import of (5) agricultural commodities and their derivatives and any product suitable for human consumption; (6) iron; and (7) steel. The import prohibitions on the latter three products enter into force upon enactment.

Defense Imports (Sec. 302)

Prohibits the import of defense articles and data produced in South Africa.

Philippines/Sugar (Sec. 323)

In addition to the broad ban on agricultural products, the bill contains a specific prohibition on the import of South African sugar, syrups, and molasses, effective on the date of enactment. The bill also increases the Philippines' quota for such products by an amount corresponding to the South African amount.

Double Taxation (Sec. 313)

Requires the termination of the bilateral tax treaty and the related protocol in force with South Africa. The relevant provision does not terminate the provisions in the U.S. Code conferring certain double taxation credit/deductions benefits to U.S. firms/nationals regardless of tax treaties.

Government Procurement (Sec. 314)

Prohibits U.S. Government procurement from parastatals except for items necessary for diplomatic or consular purposes.

Bank Accounts (Sec. 308)

Prohibits the SAG and its parastatals from having bank accounts in the United States, with the exception of those authorized by the U.S. Government for diplomatic and consular purposes.

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USG Assistance for Trade (Sec. 316)

Prohibits U.S. Government assistance for investment for trade in South Africa, including subsidies and funding for any trade missions/trade fairs.

Tourism (Sec. 315)

Prohibits the use of U.S. Government funds for the promotion of tourism in South Africa.

Computer Exports (Sec. 304)

Prohibits the export of computers and related goods and services to the police, military, and apartheid-enforcing entities.

Nuclear Exports/Trade (Sec. 307)

Prohibits most nuclear exports/trade involving South Africa (with narrow exceptions for IAEA and for humanitarian/health purposes).

Munitions Exports (Sec. 317; 318)

Prohibits the export of any item on the U.S. Munitions List (part of the International Traffic in Arms Regulations (ITAR) of the Department of State) to South Africa. Any exception is provided for items not covered by the mandatory U.N. arms embargo if the items are to be used strictly for commercial purposes and are not destined for the military, police, or security forces or military uses. This provision codifies existing Executive Branch policy. The current statutory procedures relating to the President's certification of certain ITAR exports and Congressional disapproval of individual exports are made applicable to such South Africa exports.

Oil Exports (Sec. 321)

Prohibits exports of crude oil and petroleum products to South Africa (with an exception for existing contracts).

Agricultural Exports (Sec. 212)

The bill permits South Africa to participate in Department of Agriculture export credit and promotion programs. This could include credit and loan guarantee programs and the export enhancement program recently used with respect to the USSR.

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Fair Labor Standards (Sec. 205; 207; 208)

Requires U.S. nationals employing at least 25 individuals in South Africa to apply certain fair labor standards based on the Sullivan principles. The penalty for failure to implement the principles is a loss of U.S. Government export marketing support. (These provisions are comparable to those in the September 9, 1985 Executive Order.) The U.S. Embassy and Consulates in South Africa are also required to implement the principles, except that the bill makes it clear that the applicable provision does not confer a right to engage in strikes against the U.S. Government.

Unfair Trade Practices (Sec. 402)

The bill authorizes the President to limit the import into the United States of any products of any foreign country to the extent that the country concerned benefits from or otherwise takes commercial advantage of the sanctions contained in the bill.

Private Cause of Action (Sec. 403)

Under certain very limited circumstances, the bill permits U.S. nationals to bring civil suits for damages in U.S. courts against foreign corporations or individuals which take advantage of the U.S. sanctions contained in the bill.

Preemption (Sec. 4; 606)

The Senate bill establishes a comprehensive and complete U.S. framework for dealing with South Africa. The Senate legislative history makes it clear that state and local legislative sanctions against South Africa (e.g., procurement bans against US firms doing business in South Africa) are preempted by the bill for purposes of US law. The bill contains a transitional amendment which provides in effect that states will not be punished for acts taken as a result of such laws currently in force for a period of 90 days.

Waivers (Sec. 311; 502)

The bill contains several provisions regarding Presidential waivers or modifications of the bill. One provision authorizes waivers if certain events occur in South Africa, provided that the Congress does not enact a joint resolution of disapproval (which can be vetoed).

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International Negotiations (Sec. 401)

The bill requires negotiations with other countries within 180 days on international arrangements to end apartheid. It provides that the Secretary of State should convene an international conference to reach agreements and impose multilateral sanctions (as well as certain reporting requirements). Presidential modifications of the bill as a result of such agreements will require Congressional approval by joint resolution.

U.N. Mandatory Sanctions (Sec. 401)

The bill expresses the sense of the Congress that the President should seek mandatory Chapter VII Security Council sanctions against South Africa of the kind contained in the bill.

Waivers/Communist Countries (Sec. 502)

The bill provides that the President may lift any prohibition in the bill if it would increase U.S. dependence upon any member country or observer country of the Council for Mutual Economic Assistance (i.e., the economic entity related to the Warsaw Pact) for the import of (1) coal or (2) any strategic material, or (3) any critical material. Criteria are established for this purpose. Although many reports must be made to Congress (including monthly reports), there is no procedure for Congressional disapproval or approval of such Presidential determinations.

Military Cooperation (Sec. 322)

The bill prohibits any agency or entity of the U.S. Government from engaging in any form of cooperation with the armed forces of South Africa, except activities reasonably designed to facilitate the collection of necessary intelligence.

Future Sanctions (Sec. 501)

Requires the President to make a report to Congress 12 months after enactment on progress in South Africa. If he determines that the conditions specified have not been met, the bill requires that the President must recommend which additional measures should be adopted (from a list of potential sanctions). The sanctions are not automatic, and a law would have to be enacted to promulgate any sanctions recommended by the President pursuant to these procedures. The future measures could include prohibitions on military assistance to countries violating the U.N. arms embargo; the import of diamonds and strategic minerals; and the holding of any U.S. bank accounts for South Africa nationals.

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POSITIVE MEASURES**Scholarships/Assistance (Sec. 201; 511)**

Authorizes assistance for scholarships to the victims of apartheid and assistance generally for disadvantaged South Africans. For example, one provision provides that up to 40 million dollars in economic support funds may be used in FY87 and each year thereafter for assistance in South Africa. Another earmarks 4 million dollars of the education funds available to the U.S. Agency for International Development for each of the fiscal years 1987 through 1989 for scholarship programs at the university/college level. A separate provision authorizes 1 million dollars in each of the fiscal years 1987 through 1989 for scholarships for secondary school students. A separate training program for teachers is also authorized.

Legal Assistance/Human Rights Fund (Sec. 202)

Earmarks specific amounts of the Human Rights Fund for South Africa for specified purposes (500,000 dollars per fiscal year for legal assistance to political prisoners and detainees, and 175,000 dollars for families of the victims of those necklaced.

Export-Import Bank (Sec. 204)

Requires EXIM to take active steps to encourage the use of its facilities to assist black South Africa business enterprises and relaxes certain current statutory restrictions on EXIM activities in South Africa.

Housing (Sec. 206)

Authorizes 10 million dollars for the purchase of housing for black South Africa nationals employed by the U.S. Government in South Africa. The housing is to be located in areas open to all population groups.

USG Procurement (Sec. 203)

Provides that the U.S. Embassy and Consulates in South Africa shall make affirmative efforts to purchase goods and services from the victims of apartheid notwithstanding normal competition in contracting laws.

African Famine Reserve (Sec. 210)

The President is authorized to use the Emergency Reserve for African Famine Relief established as part of the P.L. 480 program notwithstanding certain existing legal requirements.

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REPORTING REQUIREMENTS

The bill contains numerous reporting requirements, including reports relating to the following:

Role/activities of the Communist Party in South Africa
(§509)

Countries violating the Mandatory U.N. Arms Embargo
(§508)

Health conditions in the homelands
(§503)

Effect of sanctions on Front Line States
(§505)

Bank deposits of South Africans in the US
(§507)

South African Imports/Strategic minerals
(§504)

CEMA (Warsaw pact-related) imports
(§502)

African National Congress compliance with the Foreign
Agents Registration Act
(§512)

Strategy for assisting disadvantaged South Africans
over the next 5 years
(§511)

POLICY STATEMENTS

The Senate bill contains numerous policy statements, including praise for US firms that have remained to work in South Africa; the need for negotiations in South Africa and to have all foreign forces removed from the region; and the need for international cooperation and coordination on measures related to South Africa. Other examples include the following.

African National Congress (Sec. 102; 311)

The bill provides that U.S. policy towards the African National Congress (ANC) shall be designed to bring about a suspension of violence that will lead to the start of negotiations designed to bring about a non-racial and genuine democracy in South Africa. The United States is to encourage the ANC to (1)

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suspend terrorist activities; (2) make known its commitment to a free and democratic post-apartheid South Africa; (3) agree to enter into negotiations; and (4) reexamine its ties to the South African Communist party. It also provides that U.S. policy towards South Africa will be adjusted based on certain actions of both the SAG and the ANC. It provides that it shall be the policy of the U.S. to support negotiations without the ANC if the SAG agrees to enter into negotiations without conditions and abandons unprovoked violence and commits itself to a free and democratic post-apartheid South Africa, and if the ANC (1) refuses to participate in negotiations or (2) if the ANC refuses to abandon unprovoked violence during such negotiations and refuses to commit itself to a free and democratic post-apartheid South Africa.

Mandela Meeting (Sec. 109)

The bill expresses the sense of the Congress that the U.S. Ambassador to South Africa should meet with Nelson Mandela.

ENFORCEMENT (SEC. 603; 601)

Severe criminal and civil penalties are provided for violations of the bill and broad regulatory powers are conferred on the President.

TERMINATION (SEC. 311)

The bill provides that the sanctions contained in the bill shall terminate automatically if the SAG meets five conditions specified in the bill. These conditions related to (1) the release of Nelson Mandela and all political prisoners; (2) the repeal of the State of Emergency and all detainees; (3) the unbanning of political parties; (4) the repeal of the Group Areas and Population Registration Acts; and (5) agreeing to enter into good faith negotiations with truly representative members of the black majority without preconditions.